INFORMATION BULLETIN

2008-5

June 5, 2008

Recognition of the supply of a single meal per day in the tables determining eligible expenses for the refundable tax credit for home support of an elderly person

To facilitate the home support of elderly persons age 70 or over and, as a result, avoid or delay their having to take up residence in a facility of the public health and social services network, the tax system grants them financial assistance consisting of a refundable tax credit.

Since its introduction in January 2000, the refundable tax credit for home support of an elderly person has been improved many times.

Just recently, in the Budget Speech of March 13, 2008, it was announced that many of the parameters of this tax credit would be changed to simplify its application, increase the assistance it provides for elderly persons and direct this assistance to persons who need it most.

Accordingly, besides the fact that, since 2008, the rate of the tax credit has risen from 25% to 30%, that the annual cap on eligible expenses applicable to an elderly person has been raised from $15 000 to $15 600 ($21 600 if the person is dependent)[1] and that the tax credit has begun to reduce according to family income in excess of $50 000, the method of determining the eligible expenses included in the rent has been simplified, in particular for persons living in a residence for elderly persons.

Persons who pay a rent for lodging in a residence for elderly persons must henceforth determine the amount of eligible expenses included in their rent using one of the two tables for determining expenses that have been set out.

Accordingly, the Table for Determining Expenses on an Individual Basis is intended for all elderly persons other than those who share a dwelling solely with their spouse, who must, for their part, use the Table for Determining Expenses on a Household Basis.

---

1 An individual is considered a dependent senior if, according to a written attestation from a physician, the individual depends and will continue to permanently depend, for a prolonged and indefinite period, on other people for most of his or her needs and personal care, or the individual requires constant supervision because of a serious mental disorder characterized by an irreversible breakdown in thought activity. In this regard, the needs and personal care of seniors cover only personal hygiene, dressing, eating and mobility or transfers.

Finances Québec

To make them easier to use, the tables for determining expenses have been prepared using the terminology found in the form Schedule to the Lease – Services Offered to the Lessee Owing to His Personal Condition, including Services Offered to Elderly or Handicapped Persons, hereunder called "Schedule to the Lease", which must accompany the lease form for the dwelling in a residence for elderly persons.

Briefly, the tables assign a value to the various recognized home support services that are offered by residences for elderly persons and that lessees (or sublessees) agree to pay in the total rent.[2]

However, the aggregate of the values attributed for a given month to the various services provided to a senior by the residence in which the senior lives may not exceed 75% of the total rent paid to the residence for that month, if the senior or his or her spouse is a dependent senior, or 65% in other cases.

Currently, the tables for determining expenses do not include an item dealing exclusively with the supply of a single meal per day by a residence for elderly persons. Indeed, for a value to be assigned to a food service, the tables for determining expenses require that at least two meals per day be provided.

While it is very important to maintain a good diet at each stage of life, it is true nonetheless that appetite often declines with advancing age. In such a case, it is acknowledged that three light meals together with snacks, when well-balanced, can maintain energy and health if elderly persons take the minimum portions recommended in the Canada's Food Guide in each of the four food groups.

Since it is recommended that people consume a variety of foods from each of the four food groups, many seniors must rely on the food services supplied by residences to enjoy varied menus.

Some people can avail themselves of the food service supplied by the residence for elderly persons where they live only once a day.

Accordingly, to further support low-income seniors, an item dealing with the supply of a single meal per day will be added to the tables determining the eligible expenses included in rent paid to live in a residence for elderly persons.

These tables, as they will be changed for application as of 2008, are given in the appendix. The shaded portions of these tables indicate the addition of the new item.

---

2 The total rent means the rent for the dwelling unit indicated on the copy of the lease or, in the case of a verbal lease, on the written document given to the lessee, to which is added, if applicable, the additional rent for specific services (amounts shown in the second column of the Schedule to the Lease), taking into account, if the lease was renewed, of the changes made to the rent for the dwelling unit and the additional rent, if any. The total rent is shown on the last page of the Schedule to the Lease.

For greater clarity, a person may take into account this new item only if the Schedule to the Lease that completes the lease for his dwelling unit indicates (on page 4) that only one of the three meals, from among breakfast, lunch or dinner, is included in the rent for the dwelling unit indicated in the lease or is covered by an additional rent.

Moreover, in recent weeks, Revenu Québec has written to all persons living in a residence who already received advance payments of the refundable tax credit for home support of an elderly person to invite them, to continue receiving these payments, to sent it the duly completed form Update of Your Information (TPF-1029.MD.6-V) along with a photocopy of the most recent version of their lease or written notice in the case of a verbal lease, the Schedule to the Lease and, if applicable, any notice of change to the lease or any judgement setting the rent.

Persons living in a residence who as yet do not receive advance payments of the tax credit can obtain such payments by sending Revenu Québec the duly completed form Application for Advance Payments Based on Rent and Services Included in Rent (TPZ-1029.MD.7-V or TPZ-1029.MD.7.P-V) together with a photocopy of the most recent version of the various required documents, including the Schedule to the Lease.

Although the Update of Your Information and the Application for Advance Payments Based on Rent and Services Included in Rent forms do not provide elderly persons with an opportunity to indicate that just one meal per day is included in their total rent, the persons concerned will have nothing more to do to ensure that the supply of a single meal per day be recognized as an eligible expense for them in 2008.

Revenu Québec, using the information contained in the Schedule to the Lease and, if applicable, in any notice of change to the lease, that elderly persons will have sent to it, will be able to identify the persons entitled to benefit from this new eligible expense item dealing with the supply of a single meal per day.

In the event that Revenu Québec needs more information, it will contact the elderly persons concerned.

~~~~~~~

For information on the subject of this Information Bulletin, contact the Secteur du droit fiscal et de la fiscalité at 418 691-2236.

The French and English versions of this bulletin are available on the ministère des Finances website at: www.finances.gouv.qc.ca

Paper copies are also available, on request, from the Direction des communications, at 418 528-9323.
~~~~~~~

Appendix

Table for Determining Expenses on an Individual Basis[1]

	Total monthly rent		
	Equal to or less than $1 000	More than $1 000 without exceeding $2 000	More than $2 000
Home support services	**Amount ($)**	**Rate (%)**	**Amount ($)**
– Basic component	150	15	300
– Laundry service (service for the care of clothing and household linens)	50	5	100
– Housekeeping	50	5	100
– Food service (meal preparation or delivery service)			
• One meal a day	100	10	200
• Two meals a day	150	15	300
• Three meals a day	200	20	400
– Nursing service	100	10	200
– Personal care service (non-professional assistance service)			
• Basic	100	10	200
• Supplement for a dependent senior[2]	100	10	10% of total monthly rent
Maximum established on the basis of total monthly rent			
– General	**65%**	**65%**	**65%**
– Dependent senior[2]	**75%**	**75%**	**75%**

(1) This table is intended for an elderly person other than one who shares a dwelling unit solely with his or her spouse.

(2) An individual is considered a dependent senior if, according to a written attestation from a physician, the individual depends and will continue to permanently depend, for a prolonged and indefinite period, on other people for most of his or her needs and personal care, or the individual requires constant supervision because of a serious mental disorder characterized by an irreversible breakdown in thought activity. In this regard, the needs and personal care of seniors cover only personal hygiene, dressing, eating and mobility or transfers.

Table for Determining Expenses on a Household Basis[1]

Home support services	One eligible spouse[2]			Eligible couple		
	Applicable rate (%)[3]	Minimum amount ($)	Maximum amount ($)	Applicable rate (%)[3]	Minimum amount ($)	Maximum amount ($)
– Basic component	10.5	150	300	10.5	150	300
– Laundry service (service for the care of clothing and household linens)	3.5	50	100	5	75	100
– Housekeeping	3.5	50	100	3.5	50	100
– Food service (meal preparation or delivery service)						
• One meal a day	7	100	200	14	200	400
• Two meals a day	10.5	150	300	21	300	600
• Three meals a day	13.5	200	400	27	400	800
– Nursing service	7	100	200	7	100	200
– Personal care service (non-professional assistance service)						
• Basic	7	100	200	14	200	400
• Supplement for a dependent senior[4]	7	100	7% of total monthly rent	7[5]	200	7%[5] of total monthly rent
Maximum established on the basis of total monthly rent						
– General		**65%**	**65%**		**65%**	**65%**
– Dependent senior[4]		**75%**	**75%**		**75%**[6]	**75%**[6]

(1) This table is intended for an elderly person who shares a dwelling unit solely with his or her spouse.
(2) In a given month, only one of the spouses is age 70 or over.
(3) The rate must be applied to the total monthly rent for the dwelling unit.
(4) An individual is considered a dependent senior if, according to a written attestation from a physician, the individual depends and will continue to permanently depend, for a prolonged and indefinite period, on other people for most of his or her needs and personal care, or the individual requires constant supervision because of a serious mental disorder characterized by an irreversible breakdown in thought activity. In this regard, the needs and personal care of seniors cover only personal hygiene, dressing, eating and mobility or transfers.
(5) If both spouses are dependent seniors, the rate is 14%.
(6) If one of the spouses is a dependent senior, the rate of 75% applies automatically.